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## **Controller Completes Riverside RDA Review**

**SACRAMENTO** – State Controller John Chiang today announced completing his [review](#) of the assets transferred by the City of Riverside's redevelopment agency (RDA) prior to its dissolution. The review found that the RDA is not only in current possession of \$30.45 million in real property that it no longer is legally entitled to hold, but that it inappropriately transferred another \$64.25 million in real property to the City.

"After decisions by the Governor and Legislature to disband redevelopment, my office is working to make sure all remaining RDA assets, including those in Riverside, are used properly to retire debt and pay for critical local public services, such as education and public safety," Chiang said.

The Controller's review is mandated by ABx1 26 and AB 1484. These recently-enacted laws require all RDAs to cease operations by February 1, 2012. Their assets and liabilities must be transferred to a "successor agency" and placed under the direction of an oversight board to dispose of the assets, pay off obligations, and redistribute excess cash to fund schools, public safety, and other local public services.

The law requires that all RDA assets transferred to a city, county or other public agency after January 1, 2011, must be returned to its successor agency, unless the assets were committed to a private third party by June 28 of that year. To date, the Controller has completed 46 reviews.

The Governor's recently-revised budget estimates that, as a result of RDA dissolution, counties will receive \$1.4 billion in new general purpose revenues over the next two fiscal years, while cities will receive \$1.1 billion and special districts will receive \$500 million. On an ongoing basis, it is estimated that \$575 million will be distributed to local governments.

In Riverside, the review determined that the RDA successor agency is owed \$94.7 million in real properties and the City is ordered to transfer all titles to the agency.

Existing law empowers a successor agency's oversight board, made up of local appointees, to return assets and property to a local government if it serves a legitimate governmental purpose and if there is no objection by the State Department of Finance. For example, when reviewing RDAs in West Sacramento and Brea, the Controller's office identified assets that were transferred to cities instead of successor agencies. But in both cases, the local oversight board decided that the assets served a governmental purpose, and should therefore stay with the cities.

As required by law, the Controller will perform reviews of all remaining redevelopment agencies across the State. Read more about the Controller's role in conducting asset

reviews , and see a of completed reviews.

Read a version of this press release in .

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